

Nevada League of Cities & Municipalities Bill Draft Requests Briefing

Diesel Road Tax

Requested by: Winnemucca

Purpose: This BDR would enable cities and counties to implement a diesel road tax for their own use.

Pros: Historically, local governments have not shared in revenue generated by the Diesel Road Tax because, at the time the tax was passed, most diesel traffic traveled on roads maintained by the state. Proponents argue that diesel traffic on local streets (especially in rural areas) has increased, and local entities should be able access this source of revenue if enacted locally.

Cons: This tax would add to already high gas prices, impacting the trucking industry and possibly the cost of goods.

Impact Fees for Police and Fire

Requested by: Reno

Purpose: This BDR would amend NRS 278B to expand the allowable uses of impact fees to include the construction of police and fire administrative buildings.

Pros: Adds resources available for police and fire administrative building costs.

Cons: Developers who pay the impact fees may have difficulty supporting the use of fees for police and fire administrative buildings.

Under-grounding of Utilities

Requested by: Reno

Purpose: A recent ruling by the Public Utilities Commission (PUC) regarding responsibility for under-grounding of utilities has created concern among local government entities. In its ruling, the PUC stated that it may be appropriate for a utility to recover increased costs through a customer surcharge, possibly on local jurisdictions, when a political subdivision has imposed an under-grounding requirement. The ruling is on appeal to the Supreme Court; however, a

legislative clarification could make any court rulings moot. This proposal would prohibit the PUC from assessing under-grounding costs to local governments.

Pros: Supports efforts of local governments to improve the appearance of streetscapes and landscapes by under-grounding utility lines.

Cons: Results in potentially high costs to utility companies, which are likely to be borne by all consumers.

Residential Construction Tax

Requested by: Reno

Purpose: This proposal would remove the fixed cap of \$1,000 on the Residential Construction Tax and add park maintenance as a permissible expenditure. Current residential construction tax statutes allow an assessment of 1% of the sale price of the home up to \$1,000.

Pros: Would generate additional funding for park construction, and relieve some of the financial burden for park maintenance from local governments.

Cons: Would impact the cost of housing and availability of affordable housing. Likely to be strongly opposed by homebuilders. May not have a large effect on CLV, since city code establishes that the Residential Construction Tax is assessed according to square footage (\$.26 per square foot), not value.

Effective Date of Enacted Legislation

Requested by: Henderson

Purpose: This proposal would amend NRS 218.530 to require the Legislature declare an emergency exists before establishing an effective date other than October 1 on matters effecting local government. Current statute establishes a default effective date for enacted legislation of October 1. Legislation is often enacted with an effective date other than the default date.

Pros: This change would allow local government necessary time to implement ordinance changes that are mandated or to ensure compliance with recently enacted state law.

Cons: Legislators may view this proposal as a slight to their powers to legislate and assign an enactment date.

State Disaster Relief Funding

Requested by: Sparks

Purpose: Nevada Department of Emergency Management (DEM) requires a different set of expenditure and activity reporting than that which is required by the Federal Emergency Management Agency (FEMA). The purpose of the proposal would amend NRS, NAC and the reporting process for Nevada Department of Emergency Management consistent with that of FEMA. In addition, it proposes an increase in the state's emergency fund so monies could be reasonably available when needed by local governments.

Pros: Reduces bureaucracy for disaster relief staff, streamlines and increases access to emergency funds.

Cons: Increased funding will require a fiscal note that may cause the bill to fail. Undetermined source of funds.

Substance Abuse: The proposal was requested by the city of Reno at the 7/14/06 Board of Director's Meeting and was approved as a place holder. Approval was contingent on the Legislative Committee holding another meeting to discuss the issue and bring it back as a formal proposal to the Annual Business meeting for final approval. The purpose would be to assist local government in securing additional remedies and resources for the treatment and prevention of methamphetamine abuse.

Interlocal Contract/Cooperative Agreements Threshold: This proposal, requested by the city of Las Vegas, would increase the threshold for council action on interlocal contracts and cooperative agreements from the current level of \$2,000 and \$0, respectively, to a standard level of \$25,000. Although this request was not made at the Board of Director's Meeting, the city of Las Vegas has requested that it be included in the bill draft package. This proposal will likely be acted upon at the annual conference in early October.